

**ASSEMBLY BILL**

**No. 1008**

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**Introduced by Assembly Member Charles Calderon**

February 22, 2007

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An act to amend Section 676 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1008, as introduced, Charles Calderon. Insurance renewal.

Existing law provides that after an insurance policy insuring certain types of property, as specified, has been in effect for 60 days, or if that policy is a renewal, no notice of cancellation is effective unless it is based on the occurrence of one or more of listed factors, including nonpayment of premium. This nonpayment of premium includes nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use.

This bill would revise the above provision to also require that the amount calculated in accordance with the current rating manual of the insurer also be approved by the commissioner.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 676 of the Insurance Code is amended
- 2 to read:
- 3 676. After a policy specified in Section 675 has been in effect
- 4 for 60 days, or, if the policy is a renewal, effective immediately,

1 no notice of cancellation shall be effective unless it is based on  
2 the occurrence, after the effective date of the policy, of one or  
3 more of the following:

4 (a) Nonpayment of premium, including nonpayment of any  
5 additional premiums, calculated in accordance with the current  
6 rating manual of the insurer, *as approved by the commissioner*,  
7 justified by a physical change in the insured property or a change  
8 in its occupancy or use.

9 (b) Conviction of the named insured of a crime having as one  
10 of its necessary elements an act increasing any hazard insured  
11 against.

12 (c) Discovery of fraud or material misrepresentation by either  
13 of the following:

14 (1) The insured or his or her representative in obtaining the  
15 insurance.

16 (2) The named insured or his or her representative in pursuing  
17 a claim under the policy.

18 (d) Discovery of grossly negligent acts or omissions by the  
19 insured or his or her representative substantially increasing any of  
20 the hazards insured against.

21 (e) Physical changes in the insured property which result in the  
22 property becoming uninsurable.